FOR THE MACINTOSH™

MILLIONAIRE

THE STOCK MARKET SIMULATION™

BLUE CHIP SOFTWARE™

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INTRODUCTION

Welcome to Millionaire, a captivating adventure into the world of stock market investing. You are about to experience the thrill of high finance while learning basic stock market terms, skills, strategies, and concepts.

You will be entering a remarkable simulation of the real world, because Millionaire is based on actual stock market trends and historical events, not just random numbers.

At the beginning of each game, your computer creates a new stock market environment, just for you. No two environments are ever exactly alike. Just like in real life.

The environment consists of 91 weeks of stock market fluctuations. As you begin the game, 13 weeks have passed. This provides a history you may use to begin plotting strategies as you start down the road to your fortune.

Before you order your Ferrari Turbo Coupe and Lear Jet, however, there are a few terms you must become familiar with.

WHAT IS A STOCK?

A piece of the action, one might say.

Or of a corporation, to be precise. In order to raise money — working capital to build factories, fund research, etc.— a corporation sells shares. These shares are "stock" in the company. Individuals who purchase stock become part owners of the company.

How much of a company you own depends not upon how many shares you buy, but upon the proportion of the number of shares you own to the total number of shares issued by the company. An investor who owns 100 shares of a company with 1,000,000 shares outstanding owns a smaller part of a company than an investor who owns only 10 shares of a company with just 100 shares outstanding.

Stock owners can usually resell their stock through a stock exchange, which is simply a place where representatives of the buyer and seller — called brokers — meet and negotiate prices. Stock prices are determined by several factors, including: the company's current profits, anticipated future profits, the value of assets (factories, patents, real estate, etc.), and cash on hand.

If a company's prospects are optimistic, then its stock will be in demand, and the price will rise. Conversely, if prospects are dim, the price will drop.

Why would you buy stock in a company?

Long-term investors hope to receive a portion of the corporate profits, called dividends. Furthermore, such investors hope that the price of the stock will increase as the size of the company grows. In real life, there are also many tax incentives that help to promote investing money in corporations.

On the other hand, there are those who look to make a profit in a shorter period of time. By hopping on the bandwagon of a stock that has a rapid upward change in price (for whatever reason), the investor makes a substantial windfall profit. This is considered speculation.

In Millionaire, as in real life, speculators are the ones who get rich quick. However, speculators must accept much more risk than the long-term investor is generally willing to do.

FACTORS THAT INFLUENCE YOUR DECISION

In order to minimize risks, a speculator looks at many factors to determine which way a stock price will go. The following are some of the factors that influence the market:

1. **The profitability of a corporation.** Normally announced every three months in an earnings statement. Profits are referred to as earnings.
2. **Changes in the number of shares traded on the stock exchange.** Sudden increases in stock sales can signal a significant price change is imminent. This may be due to "insider trading" (shares sold by company officials who may have a better understanding of a company's prospects than the general public), or large trades by institutional investors, such as banks and insurance companies.
3. **News announcements about a company.** Information about new products, earnings or potential problems can have a dramatic effect on a company's stock price, for obvious reasons.
4. **Stock price trends.** Analyzing the stock price fluctuations over time can give clues to future performance. History tends to repeat itself.
5. **Industry group trends.** Looking at a single industry can yield clues not visible in a single stock's price fluctuations. Certain

factors will affect an entire industry, and this will be reflected in the price of individual corporate stocks.

EXAMPLE: A harsh winter storm immediately prior to the Christmas season will have a dramatic effect on the retail industry, because shoppers won't go to stores in poor weather. This would affect most companies in the retail industry group.

6. **Stock market trends.** The stock market sometimes seems to have a life of its own that can cause individual stock prices to move illogically. The market goes through cycles: when stock prices generally rise, it is referred to as a "bull market." When they fall, a "bear market."

   In a bear market, for example, a company's stock price may drop along with the market even though the company's profits —called earnings — are increasing.
7. **The company history.** Understanding a company's roots can be helpful in identifying unusual corporate moves that may affect stock prices.
8. **Daily stock price changes.** Daily changes in stock prices, new highs or lows, are the key to many buy and sell decisions.

Once a speculator has analyzed all these factors (no simple task, obviously, or we'd all be rich), he looks for a stock that can be expected to experience a rapid change in price. (It need not be an upward change in price, by the way, which will be explained later.)

Speculators sometimes buy stock on credit. This is called margin buying. In such a transaction, the buyer must normally make a down payment of at least 50% of the value of the stock, and the broker extends credit on balance. If a stock purchased on margin goes down rather than up, the broker may "call" the margin. This forces the speculator to come up with enough money to return his equity to the 50% level.

In Millionaire, a margin call occurs when the speculator's equity drops below 30%. If the speculator does not have enough cash to cover the margin call, then some or all of his stocks will be sold by the broker. In Millionaire, all of the margined stock will be sold if funds do not exist to cover the margin call. The obvious advantage of buying on margin is that you pay only a portion of the total price and your broker extends credit on the balance. In Millionaire, there is an 18% annual interest charge on margin credit.

THE STOCK OPTION

Options are simply the right to buy or sell shares of a stock (usually in lots of 100) at a price agreed upon in advance. Options are extended only for a limited period of time, and automatically decline in value as the expiration date for the option approaches. An expired option is worthless.

There are two types of options: "put" options and "call" options. The call option is the right to purchase stock for a previously agreed upon price. The put option is the right to sell stock for a previously agreed upon price. The rise of a stock's price causes a call option to increase in value. The decline of a stock's price causes a put option to increase in value.

EXAMPLE: In June, K-Mart stock is trading for $50.00 a share. You pay $1.00 for each $55.00 call option that expires in September. In July, the price of K-Mart stock is unchanged, but your option is now worth only $.70, as the expiration date is one month closer. In August, the price of K-Mart stock jumps to $60.00 a share. As your options entitle you to buy stock at $55.00, you could exercise your option, buy K-Mart stock at $55.00, and resell it for $60.00. Your profit would be $5.00 per share, less the initial option price. In reality, options are seldom exercised but are sold to

other speculators. In this example, when K-Mart jumped to $60.00, the price of the option would have increased to around $5.50, and could be sold for a profit of $4.50 per option ($5.50 sale price minus $1.00 purchase price).

EXAMPLE: In June, K-Mart is trading for $50.00 per share. You pay $1.00 for each $45.00 put option that expires in September. If the price of K-Mart stock rises to $60.00 the next day, the value of the option will drop to around $.80, because the stock price is now $15.00 away from the striking price ($45.00). In August, the price of K-Mart stock drops to $35.00 per share, and your K-Mart options jump to $10.50 per option. Savvy investor that you are, you sell and pocket the hefty profit.

As these two examples illustrate, a **call option** is purchased when you believe the stock price will rise significantly. A **put option** is purchased when you believe the price will fall significantly.

Sometimes options are used for protection. For example, if you purchase shares of Dow Chemical at 120, you might purchase an equal number of put options enabling you to sell Dow Chemical at 100. This is "insurance" that protects you against catastrophic loss.

Options in Millionaire are best used for speculation. If you believe a stock will rise or fall dramatically, the lower price of options will permit you to "control" far more shares (and potential profit) than if you bought the shares outright. This is called leverage.

In speculative investing, you wish to get the most leverage possible. That is, to control as many shares of stock as possible given your current resources. $100 worth of options give you greater leverage than $100 worth of stocks because you control more shares (since options trade at a fraction of the price of the stock). If a stock goes up by $10, the profit per option share is the same, once the striking price has been crossed. Because the speculator controls more shares with options, the total profit is much greater.

A shrewd speculator may reap huge profits with relatively few personal resources through leveraging. The more leveraged you are, the greater the risk, of course. A small downward price fluctuation that would prove a minor annoyance to the owner of stock may spell doom to the highly leveraged investor, collapsing what is basically a house of cards.

BORROWING AGAINST YOUR NET WORTH

In some cases, a speculator can borrow money from public and private sources using his assets (including stock) as collateral. Loans of up to 80% of your net worth are possible. Buying stocks with money borrowed against your assets and 50% margin can give you tremendous leverage (and risk). Interest, of course, must be paid on any loans as with margin accounts.

SELLING SHORT

Another technique used by speculators is called "selling short." If a short seller believes the price of a stock will fall dramatically, he "borrows" the stock from another investor for a fee. The speculator then sells the stock and banks the receipts. When the stock falls in price, he buys it on the open market, and returns it to the original investor, pocketing the difference in price as profit. The only expense the short seller incurs is the fee paid to borrow the stock. Of course, if the speculator's calculations are off, and the stock **rises** in price, he must make up the difference when replacing the stock. Short selling is very risky, and is not a technique available to players in Millionaire.

COMMISSIONS, TAXES AND OTHER FACTS OF LIFE

When you buy or sell stock through a broker, the broker takes a percentage of the total transaction as his commission. In Millionaire, commission is 1.5% of the total transaction value.

Nothing escapes the clutches of Uncle Sam, and that goes for money made in the stock market. How much tax depends on the individual's tax bracket. In general, short-term profits (from stocks held less than one year) are taxed at twice the rate of long-term profits (on stocks held at least one year). Losses reduce the tax burden by the same proportions. In Millionaire, the tax rate is fixed at 30%. If it were only that way in real life...

Stock holdings are called a **portfolio.** In Millionaire, you will have three portfolios: one each for stock, call options, and put options.

If you wish to learn more about the stock market (the more you know, the better your analysis will be), investigate "Your Investments" available from any good bookseller. It is published by Dun & Bradstreet, one of Wall Street's most respected investment firms.

Although Millionaire uses concepts based upon the actual stock market, there are many subtle (and not so subtle) differences between the simulation and real life. If you plan to invest in the market, you should investigate books like the one mentioned above.

MILLIONAIRE GROUND RULES

The objective in Millionaire is to earn $1,000,000 as quickly as you can. To do this, you must make shrewd, timely investments in stocks and options.

You start out with a Novice status and $10,000 cash. As a Novice, you may buy or sell stocks. You may not purchase stocks on margin, or purchase options.

Net worth is the yardstick of success in Millionaire. Your net worth is defined as the sum of all your assets (cash, stocks, and options), less your liabilities (loans, taxes, and commission obligation).

As your net worth increases, your status also rises; as your status rises, so will your investment alternatives. The screen below sets forth the privileges of rank.

Privileges of Rank*

Status Reference

Net Worth	Status	Investment Opportunities
10,000	Novice	Buy stocks but not on margin.
12,000	Investor	Buy stocks on margin.
18,000	Speculator	Buy call options and stocks on margin.
40,000	Professional	Buy call options, put options, and stocks on margin.
100,000	Broker	All of the above and borrow up to 80 percent of your net worth.
1,000,000	Millionaire	You did it!

*You may only advance one status level in a single week. If you are a Novice who suddenly makes $100,000, you must wait a few weeks to obtain Broker status.

EXAMPLE: When your net worth reaches $12,000 or more, you become an Investor and are able to buy stocks on margin. When you reach $18,000, you can buy call options as well as stocks on margin.

Once your status has risen to a certain level, it will not be reduced even if your net worth should drop below the required level. For instance, if you become an Investor by obtaining a net worth of $12,000, a subsequent drop in net worth to $8,000 will not reduce your status.

If your net worth drops below $1,000, you will be declared bankrupt, your status will drop to Novice, and you will be given $7,500.

When you reach Millionaire, you will be given $50,000 and started out on a quest for your next million dollars. The objective, once you have become a Millionaire, is to find out how quickly you can earn another $1,000,000. Be careful not to go bankrupt and lose it all.

THE INVESTMENT ARENA

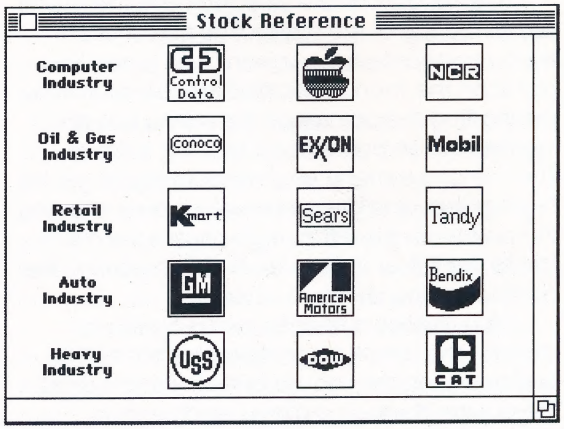
At the start of the simulation, the computer creates a new stock market environment. You begin in week 14 of a 91-week session. Each week you have the opportunity to buy and sell stocks and options.

Stock prices change each week just as they do on Wall Street. At week 91 assets are converted to cash and — along with your status — are saved by the computer. You can then begin a new session of 91 weeks using the cash and status earned in the previous sessions. With a little luck and a lot of skill, you will become a Millionaire. But it will probably take you several sessions to do so.

The Macintosh can store up to 14 players' data (end of session cash and status). If you wish to stop a session before the 91st week, you may store the complete game status, including the market environment, for later recall.

The Millionaire stock market consists of 15 stocks in 5 industry groups. Each stock is indicated on the main Millionaire screen by its corporate logo, as illustrated in the Logo Panel screen to the right. Each level of logos, moving from top to bottom, represents an industry group. The five groups are: computer, oil & gas, retail, automotive, and heavy industry.

Logo Panel



THE MOUSE THAT ROARS ON WALL STREET

Most of the time — probably 90% — you need only manipulate the mouse to play Millionaire. You will use the keyboard when you are entering numbers or a player's name.

The basic action requires that you maneuver the pointer on the screen by moving the mouse on a flat surface, such as your desk. The pointer follows the movement of the mouse. The pointer changes shape depending on what you are doing. Usually it will be shaped like an arrow. When the pointer is a wristwatch, the Macintosh is asking you to wait while it performs some action.

The screen on the Macintosh is often referred to as the desktop, and the two will be analagous in this document.

SELECTING MENU OPTIONS

Game actions are selected from the menu bar at the top of the screen. The title of each menu appears on the screen at all times. You can scan the menu options available to you by positioning the pointer on the menu bar, pressing the mouse button, and holding it down. The title of the menu you are pointing to will be highlighted, and the menu will appear. Moving the pointer to the left or right causes the menu title to the left or right to be highlighted and the corresponding menu to appear.

You choose a specific menu option by moving the arrow up or down to that option and releasing the mouse button. As you drag the pointer through a menu, each option pointed to will be highlighted. Nothing will be selected until you release the mouse button. If you change your mind about selecting something from the menu, simply move the pointer away from the menu.

Some commands will appear dimmed in the menu and will not become highlighted when the arrow points to them. These commands are referred to as inactive and cannot be currently selected.

MANIPULATING WINDOWS

Information in Millionaire (graphs, tables, descriptions) appears in rectangles that are referred to as windows. Windows are manipulated with the mouse. They can be brought to the front of the desk, moved on the desk, made smaller or larger, or closed.

To bring a window to the front... Click anywhere in the window. This is referred to as activating the window, and the window is now referred to as the active window. Only one window will be active at any given time.

To move a window... Position the pointer in the top bar of the window, press the mouse button, and hold the mouse button while moving the mouse. On the desktop, a dotted outline of the window will follow the movement of the mouse. When the outline is positioned where you wish the window to appear, release the mouse button. The window will be redrawn at this new location, and it will now be the active window. (To cancel the move, drag the pointer into the menu bar. A window can't be moved off the top of the desk.)

To change the size of a window... Bring the window to the front. Position the pointer in the box at the bottom right corner of the window. This is referred to as the size box. Press the mouse button and hold it while moving the mouse. A dotted outline of the window will follow the movement of the mouse. When the outline is positioned where you wish the window to appear, release the mouse button. The window will be redrawn to fit the new dimensions. (To cancel the resizing, move the mouse so that the dotted outline is the same as the original outline of the window.)

To close a window... Bring the window to the front. Position the pointer in the box at the top left corner of the window. This is referred to as the close box. Click the mouse button. The window will disappear from the desktop.

COMMUNICATING WITH THE MACINTOSH

Throughout Millionaire, it will be necessary for the Macintosh to provide you with information and to obtain information from you. This communication will occur in special windows which are referred to as dialog boxes. Through dialog boxes, you will asked to enter a player's name, to enter dollar amounts for the various transactions in Millionaire, and to confirm actions that will permanently alter the outcome of the

session. The Macintosh will rely on dialog boxes to tell you when you have requested an action that it doesn't understand or can't implement. Pictures, some help information, and transaction reports will also appear in dialog boxes.

Case #1... In the case when the Macintosh is providing you with information, the required response is to move the pointer to the "Continue" button and click the mouse button. The dialog box will disappear and the desktop will appear as before.

Case #2... In the case where you are being asked to confirm an action, your response will be to move the pointer to the button you wish to select and to click the mouse button. For example, when you ask the Macintosh to delete a player from the player directory, the Macintosh will respond by asking you to confirm the deletion. Two buttons will appear: "Delete" and "Cancel." If you select "Delete," the player will be deleted; "Cancel" will allow you a clean escape from the deletion process. In both cases, the dialog box will disappear and the desktop will appear as before.

Whenever a "Cancel" button appears in a dialog box, it can be used to escape from the action in progress. When an "OK" button appears, it can be used to further the action being carried out, analagous to the "Delete" button in the example above.

Case #3... The third case is one in which you will be asked to enter specific information. In Millionaire, there are only two types of information that will be requested. The most common type will be text, i.e. the entering of numbers or characters. Simply type in your entry. The text will appear in the designated rectangle within the dialog box.

The second type will require the selection of one item from several. The choices will consist of a list of items with a circle in front of each item. Simply click on your choice. The one which is selected will be indicated with a dot in the circle preceding it.

When you are finished entering information in the dialog box, click on one of the buttons as mentioned in Case #2.

Notes on Dialog Boxes... With the exception of those for buying, selling, and borrowing, dialog boxes in Millionaire require you to respond to them before you can do anything else. In other words, you will be unable to select menu items, manipulate windows, etc., until you are finished with the dialog box.

A dialog box must be the active window in order for it to accept input. If you are entering text and nothing is happening, it is because the dialog box isn't active. Click on the dialog box and then proceed to enter the text.

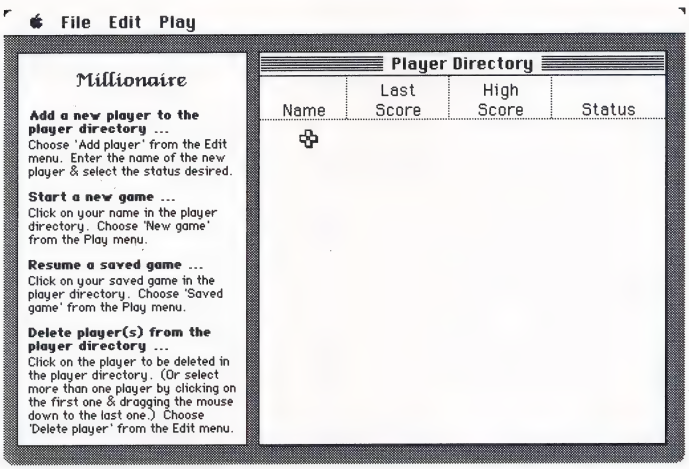
Often one of the buttons in a dialog box will appear boldly outlined. This button is referred to as the default button; it is the button which is most commonly selected. If you enter "Return" or "Enter" from the keyboard, the dialog box will be processed as if you selected the default button.

Sometimes a button in a dialog box will be dimmed. This indicates that it can't be selected yet. For example, in a dialog box that asks for a dollar amount, "OK" is dimmed until you enter the amount because the transaction can't be processed until the amount is entered.

PREPARING TO PLAY

Turn the Macintosh on. You will see a small picture (referred to as an icon) of a Macintosh disk on the screen. The blinking question mark within the disk is the Macintosh's way of asking you to insert a disk. Insert the Millionaire disk, metal end first with the label facing up, into the disk drive. Millionaire will start automatically.

Player Directory Screen


File Edit Play
Millionaire
Add a new player to the player directory ...
Choose 'Add player' from the Edit menu. Enter the name of the new player & select the status desired.
Start a new game ...
Click on your name in the player directory. Choose 'New game' from the Play menu.
Resume a saved game ...
Click on your saved game in the player directory. Choose 'Saved game' from the Play menu.
Delete player(s) from the player directory ...
Click on the player to be deleted in the player directory. (Or select more than one player by clicking on the first one & dragging the mouse down to the last one.) Choose 'Delete player' from the Edit menu.
Player Directory
Name
Last Score
High Score
Status

If, when you insert the Millionaire disk, the desktop contains icons other than the empty disk icon, Millionaire will not start automatically. Instead, icons related to the Millionaire disk will appear on the desktop. This being the case, move the tip of the pointer onto the icon entitled "Millionaire," and click the mouse button. The "Millionaire" icon will become highlighted. (This is the standard way in which you will select icons on the Macintosh.) Choose "Open" from the "File" menu. Millionaire will now start.

The first window that will appear is the title window. After a moment you will see the window shown above. On the left are instructions that will guide you in preparing for a session. On the right is the player directory. If this is your first time playing Millionaire, you will begin by adding your name to the player directory.

To add a new player... Choose "Add Player" from the "Edit" menu. The "Add New Player" dialog box (shown below) will appear on the left side of the desktop. Enter your name (5 letters maximum; you may have to abbreviate), and select the status at which you wish

New Player Dialog Box

to begin. The default status is Novice. To properly learn the various investment opportunities available to you, it is highly recommended that you do not override this default during your first few times playing Millionaire. Select "OK." Your name will be added to the player directory, and will appear highlighted.

To begin a new session or resume a saved session... First, you need to let the Macintosh know which player you are. To do so, click on your name in the player directory. This will cause your name to become highlighted. From the "Play" menu, select "New Game" to begin a new session or "Saved Game" to resume a session already in progress. If you haven't saved a game during a previous session, "Saved Game" will be dimmed in the menu.

To delete a player or players... First, highlight the player(s) you wish to delete. If you wish to delete one player, click on that player in the player directory. If you wish to delete more than one player and they appear consecutively in the player directory, click on the first player and, while holding the mouse button down, drag the pointer down to the last one. They will all appear highlighted. If you drag the pointer too far, simply drag it up again. (If you wish to delete players that aren't consecutive in the player directory, then you must delete them one by one.)

Select "Delete Player" from the "Edit" menu. A dialog box will appear in which you will be asked to confirm the deletion. Refer to "Case #2" in "Communicating with the Macintosh" for a detailed explanation of this dialog box.

TRADING BEGINS

You enter a session at week 14. Three windows appear on the desktop. Two of these windows, a chart of corporate logos and a status box, will be visible on the desktop most of the time.

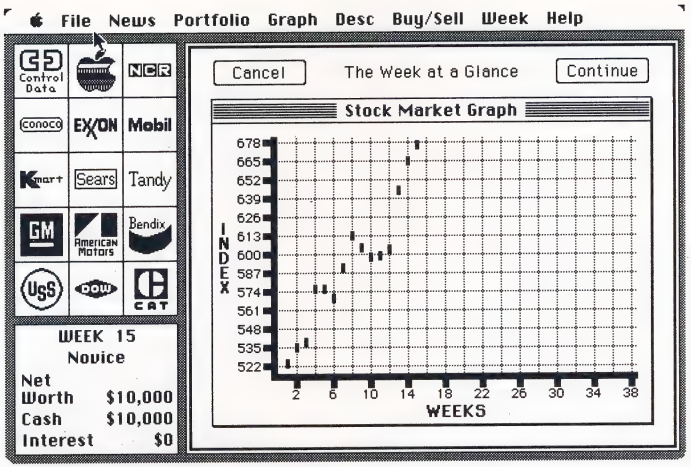
The **Chart of Corporate Logos** in the upper left hand corner is fundamental to the playing of Millionaire. Whenever you wish to buy, sell, or research a specific company, you will use this chart to tell the Macintosh which company you are interested in. To do so, move the tip of the pointer onto the logo of the company of your choice, and click the mouse button. The logo will appear outlined in black. All menu options that pertain to a specific company will now be focused on this company.

The **Status Box** in the lower left hand corner keeps you informed of the following vital statistics: the week number, your status, your net worth, the amount of cash you have on hand, and the interest (on margin and cash loans) you were charged in the previous week. Net worth requires some explanation. It is calculated as follows:

1. Your cash on hand,
2. Plus the value of your stocks and options,
3. Minus margin accounts and cash loans,
4. Minus potential sales commission costs at present prices,
5. Minus a 30% tax on the gross profit made on all stocks and options at current prices. (In the case of a gross loss, a 30% tax credit will be added.)

The third window is entitled **This Week at a Glance.** It appears whenever you enter a session or select "Extended" from the "Week" menu. It's purpose is to present you with vital information on the stock market in general and on your specific holdings. Within it are two buttons: "Continue" and "Cancel." Select "Continue" to proceed to the next window of information; "Cancel" to escape from "The Week at a Glance."

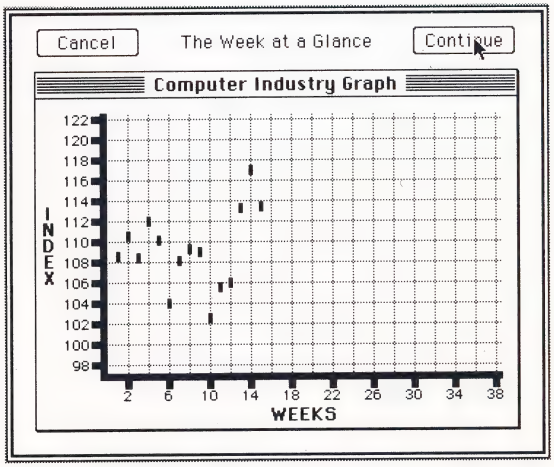
Stock Market Graph



Information will be presented to you in the following order:

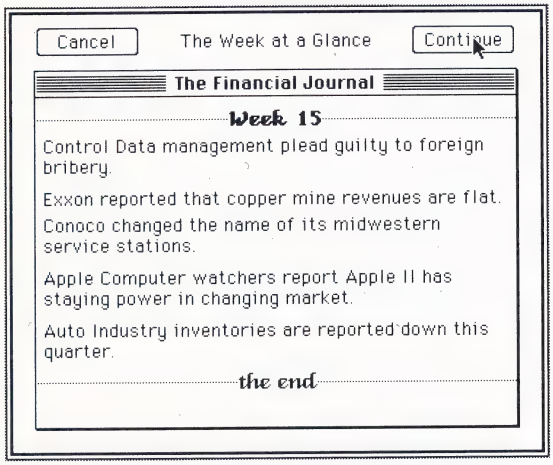
1. The **Stock Market Graph** (shown above) appears first. It is a graph of the overall stock market to the present. The horizontal axis of the graph is in weeks, and the vertical axis is the sum of the 15 stocks traded in Millionaire. An upward trend indicates that on the whole, stocks are increasing in value.
2. One of the five **Industry Graphs** appears next (shown right). The industry trend is a more precise indicator of a specific stock's movement, as it charts only 3 corporations. The horizontal axis is in weeks, and the vertical axis is the sum of the three stocks in the industry group. For example, shown here is a graph of the Computer Industry. The Computer Industry in Millionaire consists of Control Data, Apple Computer, and NCR.

Computer Industry Graph


Cancel
The Week at a Glance
Continue
Computer Industry Graph
INDEX
122 120 118 116 114 112 110 108 106 104 102 100 98
2 6 10 14 18 22 26 30 34 38
WEEKS

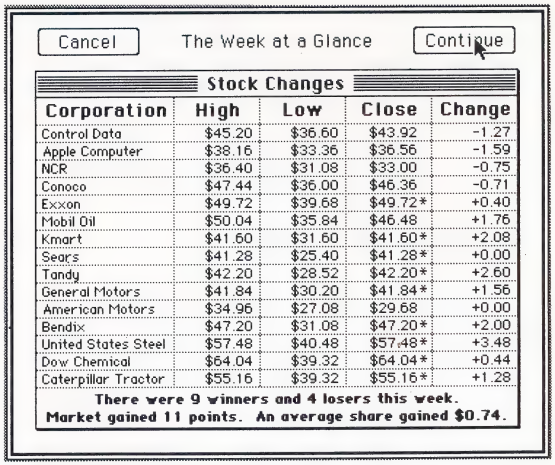
3. **The Financial Journal** (shown below) appears next. It contains the most important clues in Millionaire. Study it carefully. News items can signal upward price movements, downward price movements, or may be inconclusive. Stock changes are tied to these news items.

The Financial Journal


Cancel
The Week at a Glance
Continue
The Financial Journal
Week 15
Control Data management plead guilty to foreign bribery.
Exxon reported that copper mine revenues are flat.
Conoco changed the name of its midwestern service stations.
Apple Computer watchers report Apple II has staying power in changing market.
Auto Industry inventories are reported down this quarter.
the end

4. **Individual Graphs** of the corporations in which you hold stocks or options appear next. The horizontal axis is in weeks, and the vertical axis is the dollar value of the specific stock. (If you don't own any stocks or options, no graphs will appear.)
5. Lastly, the weekly **Stock Changes** chart (shown above right) will appear. This is similar to picking up the daily paper to see what happened to your stock. The Stock Changes Chart lists the following information on each corporation: the corporation name, the stock's highest and lowest selling price

Stock Changes Chart


Cancel
The Week at a Glance
Continue
Stock Changes
Corporation | High | Low | Close | Change
Control Data | $45.20 | $36.60 | $43.92 | -1.27
Apple Computer | $38.16 | $33.36 | $36.56 | -1.59
NCR | $36.40 | $31.08 | $33.00 | -0.75
Conoco | $47.44 | $36.00 | $46.36 | -0.71
Exxon | $49.72 | $39.68 | $49.72* | +0.40
Mobil Oil | $50.04 | $35.84 | $46.48 | +1.76
Kmart | $41.60 | $31.60 | $41.60* | +2.08
Sears | $41.28 | $25.40 | $41.28* | +0.00
Tandy | $42.20 | $28.52 | $42.20* | +2.60
General Motors | $41.84 | $30.20 | $41.84* | +1.56
American Motors | $34.96 | $27.08 | $29.68 | +0.00
Bendix | $47.20 | $31.08 | $47.20* | +2.00
United States Steel | $57.48 | $40.48 | $57.48* | +3.48
Dow Chemical | $64.04 | $39.32 | $64.04* | +0.44
Caterpillar Tractor | $55.16 | $39.32 | $55.16* | +1.28
There were 9 winners and 4 losers this week.
Market gained 11 points. An average share gained $0.74.

during the current session, the stock's current closing price, and how much the stock price changed from the previous week. A minus sign in the "Change" column means the stock has fallen. An asterisk (*) next to the closing price indicates a new high or low for that stock.

At the bottom of the chart is an analysis of the week's changes. This analysis consists of the number of stocks that have increased in price, the number of stocks that have decreased in price, the total stock market change (sum of the 15 changes), and the average price change per share.

Next, you will see a window entitled **Getting Started.** It appears whenever you begin a new session or select "Getting Started" from the "Help" menu. It presents you with a brief summary of the various options available to you in Millionaire. A window entitled "Miscellaneous Notes" also contains information that will aid you in playing Millionaire. Select "Notes" from the "Help" menu to access it.

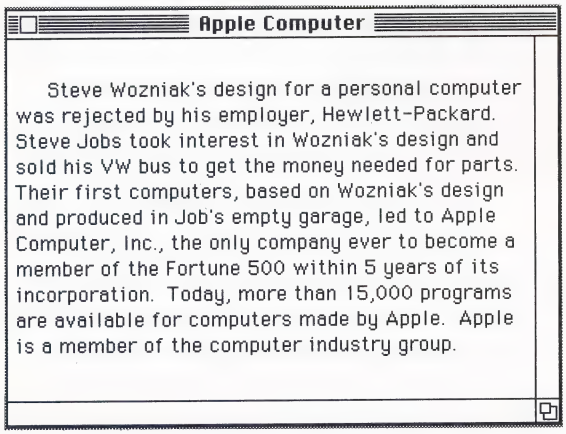
Now, you are ready to begin play. All of the undimmed menu options are available to you. Experiment by selecting different options and manipulating the windows that will appear on the desktop. A wealth of information lies at your fingertips. You may wish to wait a few "weeks" before making a purchase so that you may observe the condition of the market.

WHEELING AND DEALING

A favorable news tidbit in The Financial Journal has led you to consider purchasing Apply Computer stock. Select the Apple Computer logo from the chart of corporate logos.

Before you commit your hard earned dollars to Apple, you'd like to know some information about the company. Select "Apple Computer" from the "Desc" menu. A text description of Apple Computer (shown below) appears on the desktop.

Apple Computer Description


Apple Computer
Steve Wozniak's design for a personal computer was rejected by his employer, Hewlett-Packard. Steve Jobs took interest in Wozniak's design and sold his VW bus to get the money needed for parts. Their first computers, based on Wozniak's design and produced in Job's empty garage, led to Apple Computer, Inc., the only company ever to become a member of the Fortune 500 within 5 years of its incorporation. Today, more than 15,000 programs are available for computers made by Apple. Apple is a member of the computer industry group.

You decide to examine Apple's performance in the stock market during the previous weeks. Select "Apple Computer" from the "Graph" menu. The Macintosh places the Apple Computer graph atop the previous window, like papers on a desk.

Next, you wish to investigate how the computer industry is doing in general. Select "Computer Industry" from the "Graph" menu. This graph appears atop the other two. The Macintosh allows you to view up to four of these windows at one time. After that, you must close a window before calling up another one. (See "Manipulating Windows" for instructions on closing a window.)

After analyzing all the above information, you decide to purchase Apple Computer stock. Select "Buy Apple Computer" from the "Buy/Sell" menu. (Note that "Stock" has a check mark next to it. If you were buying Apple Computer put options, you would first select "Put Option" from the "Buy/Sell" menu, and then select "Buy Apple Computer.")

The Buy Common Stock dialog box appears on top of the chart of corporate logos. (If you are unfamiliar with dialog boxes, see "Communicating with the Macintosh.") In it, you will see the Apple logo. The Macintosh asks you to enter the number of shares you wish to buy and shows you the maximum number you can afford to buy. You enter '100' and click on the "OK" button.

A buy transaction report appears. It provides you with a detailed explanation of the charges incurred in purchasing the stock. Net Cost is your out-of-pocket cost for the stock.

Congratulations! You now own 100 shares of Apple Computer.

PROCEEDING TO THE NEXT WEEK

Once you have made all your decisions for a particular week, you will want to advance to the next week. Select either "Extended" or "Quick" from the "Week" menu. Extended mode displays the following as explained in "Trading Begins":

1. The overall Stock Market graph to date.
2. A graph of one of the 5 industry groups.
3. The Financial Journal for the new week.
4. Individual graphs of the companies in which you have holdings.
5. The Stock Changes chart for the new week.

Quick mode updates only the windows already on the screen. Thus, if you have left The Financial Journal on the desktop, you will see the latest new messages. Quick mode is used to advance the game rapidly when you are certain you will not be making any buy or sell decisions in that week. Quick mode is primarily a tool for advanced Millionaire players.

EXAMINING YOUR STOCK PORTFOLIO

To display your stock portfolio, select "Stocks" from the "Portfolio" menu. The portfolio appears on the desktop as shown above right. It consists of the following information for each company in which you own stock:

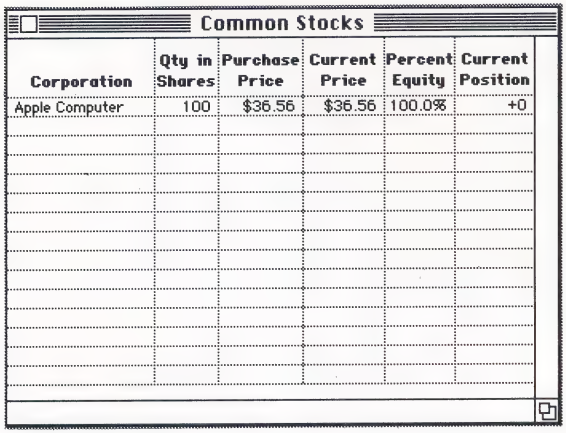
Qty in Shares—the number of shares you own.

Purchase Price—the price of the stock when you purchased it. If you have purchased the stock over several weeks, the average purchase price will be shown.

Current Price—the current price of the stock on this week's market.

Percent Equity—the percentage of the stock you own. The balance is in borrowed funds. If you purchase stocks on margin, your equity will be less than 100%. If your equity drops below 30%, your margin account will be called.

Stock Portfolio



Current Position—the difference between the gross purchase price and the current value of the stock. This does not take into account margin, taxes, or commission. A positive value means your stock is worth more now than when you purchased it.

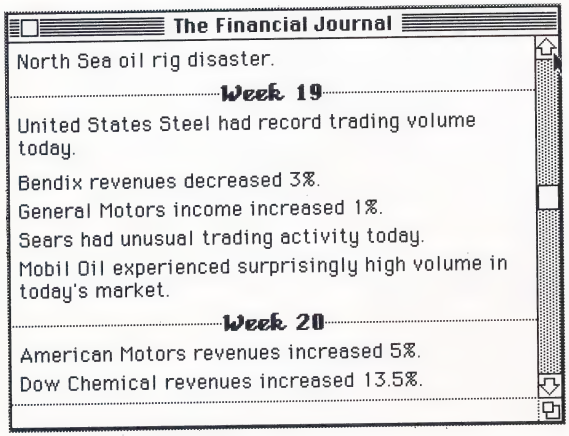
(Note: You may only display portfolios in which you have holdings.)

DOING YOUR HOMEWORK

The key to success in Millionaire is correctly analyzing information available to you in order to anticipate—and take advantage of—changes in the market. The more research you do before making a trade, the better your results are likely to be. In Millionaire, you have a wealth of sources at your command via the menu bar. Any graph, chart, corporate description, or news item may be called upon at any time by selecting it from the appropriate menu.

In addition, The Financial Journal may be "scrolled" backwards to research news items from previous weeks (shown below). To do so, place the arrow in the right hand column above the small white box, and click the mouse button. The white box will move up, and news of the previous week will appear. You may continue this process back to the 14th week... until the white box is at the very top of the column. To return to the present, click beneath the white box, and continue this procedure until the white box is at the bottom of the column.

Scrolling through News Messages


The Financial Journal
North Sea oil rig disaster.
Week 19
United States Steel had record trading volume today.
Bendix revenues decreased 3%.
General Motors income increased 1%.
Sears had unusual trading activity today.
Mobil Oil experienced surprisingly high volume in today's market.
Week 20
American Motors revenues increased 5%.
Dow Chemical revenues increased 13.5%.

The column is called a scroll bar; the small white box is called the scroll box. The position of the scroll box within the scroll bar indicates which portion of the news messages you are viewing. You can drag the scroll box to quickly view another portion of news messages. (Dragging is a term that refers to pressing the mouse button and holding it while moving the mouse.) If you wish to see the first news message, drag the scroll box to the top of the scroll bar; to see the last news message, drag the scroll box to the bottom of the scroll bar.

Within the scroll bar there are also two arrows, one pointing up and one pointing down. To scroll line-by-line through the news messages, click on the arrow that points in the direction of what you wish to see. You can also scroll continuously line-by-line by clicking on one of the arrows and holding down the mouse button.

Select "Stock & Option Prices" from the "News" menu to look at the current prices of options. This table consists of the current stock prices, the current option prices, and the current option striking prices. In Millionaire, the striking price of a call option is $5.00 above the current stock price, and the striking price of a put option is $5.00 below the current stock price. An option will expire 26 weeks from the week of purchase.

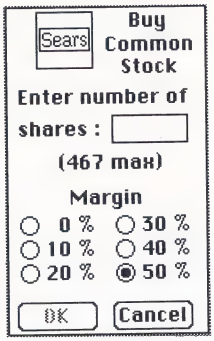
BUYING ON MARGIN

After you have achieved Investor status, you may purchase stocks on margin. This means that you may borrow money from your broker in order to achieve greater leverage, thus controlling more shares of a stock.

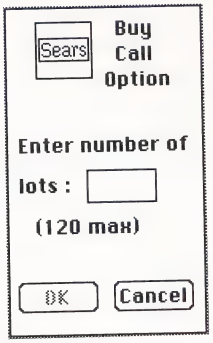
You choose the margin percentage in the Buy Common Stock dialog box (shown above right). The default is to purchase at 50% margin. You may select 0% to 50% margin by moving the arrow to the percentage you wish and clicking the mouse button. Buying at 20% margin means you are paying 80% of the price out of your cash, and the broker is loaning you the other 20%.

Once you have purchased on margin, an interest payment will be deducted each week. The amount of interest deducted in the previous week will appear in the status box at the bottom left hand corner of the desktop. Remember, the lower the margin, the smaller your interest payments will be (and the less leverage you will have).

Buy Stock Dialog Box



Buy Option Dialog Box



BUYING OPTIONS

The procedure for buying options is similar to that for buying stocks. Select the logo of the company you wish to buy. Select "Call Option" or "Put Option" from the "Buy/Sell" menu. Pull the "Buy/Sell" menu down again. The check mark will be next to your choice. Select "Buy" (the menu will say, for example, "Buy Control Data") from the "Buy/Sell" menu.

The Buy Options dialog box will appear (shown above right). Note that you cannot buy options on margin. Enter the number of options you wish to buy (in quantities of 100, called lots, or contracts). Select "OK." A buy transaction report will appear.

To display an option portfolio, select "Call Options" or "Put Options" from the "Portfolio" menu. The portfolio will appear on the desktop. It will contain the following information for each company in which you own this type of option:

Qty in Lots—the numbers of lots you own.

Exp. Week—the week in which the option expires.

Strike Price—the striking price of the option.

Stock Price—the current price of the optioned stock.

Option Value—the current stock option value.

Current Position—the difference between the gross purchase price and the present value of the option. This does not take into account margin, taxes, or commission. A positive value means your options are worth more now than when you purchased them.

There are two points to remember about options. First, the price of an option drops as the expiration date approaches. It is not unusual to have a stock price increase moderately and have the option price drop, due to the passage of time. Time is of the essence. Second, when the stock price crosses the striking price, money is made more rapidly, as every dollar of stock price change is reflected in the option price.

SELLING STOCKS AND OPTIONS

The procedures for selling stocks and options are identical. Select the logo of the company you wish to sell. Select "Stock," "Call Option," or "Put Option" from the "Buy/Sell" menu. Select "Sell" from the "Buy/Sell" menu.

A Sell dialog box will appear. Enter the number of shares or lots you wish to sell. (You do not have to sell all of a particular company's shares or lots at one time.) Select "OK."

A sell transaction report will appear. It provides you with a detailed explanation of the results of the sale. Cash Received is just that, the cash you received from the sale. Net Profit (Loss) takes into account the effects of taxes, commissions, and margin on the sale. If you lost money on the sale, you will receive a tax credit; if you came out ahead, you will be charged tax on the money you made.

There is one exception to this simple procedure. It occurs if you own two or more different options of the same type for the same company. When you go to sell one of these options, you must indicate which one you wish to sell. This is easily accomplished and is explained in the example below.

EXAMPLE: One week, you purchase Sears call options with a striking price of $50. Two weeks later you purchase Sears call options with a striking price of $52. The two options have different expiration dates.

Now you wish to sell one of these options. You select "Sell Sears" from the "Buy/Sell" menu. The Sell Option dialog box appears as usual. In addition, another window appears on the desktop. This window lists the two different options owned for Sears. Move the arrow to the option you wish to sell and click the mouse button. The option will now be highlighted. Click in the Sell dialog box to make it the active window. Enter the number of lots you wish to sell and select "OK." A sell transaction report will appear as explained above.

LOANS AND INTEREST CHARGES

If your status is Broker, you may borrow money to purchase stocks and options. Select "Loan" from the "Buy/Sell" menu. The Loan dialog box will appear. Enter the amount you wish to borrow and select "OK." A loan transaction report will appear.

You may borrow up to 80% of your net worth; your total loans may not exceed $500,000 (excluding margin accounts). Interest charges on loans are deducted from your cash on a weekly basis. The annual interest on loans is 18%. Interest charges can seriously erode your available cash.

To repay all or part of a loan, select "Repay Loan" from the "Buy/Sell" menu. The Repay dialog box will appear. Enter the amount you wish to repay and select "OK." A loan transaction report will appear. Future interest charges will reflect the reduction in your loan.

GAME STRATEGY

A few helpful hints are now in order to aid you in achieving Millionaire status:

1. Keep a note pad and pencil handy as you play. You may want to jot down significant news items and stock trends for future reference. You may also enter your notes on the screen by using the note pad accessory in the Apple menu.
2. Stock options offer the greatest potential for rapid profits (and losses). Keep track of expiration dates; options decrease in value with time.
3. Make sure to keep enough cash on hand to cover interest charges and possible margin calls.

CALLING FOR HELP

At any time, you may ask Millionaire for help in the form of information.

From the HELP menu, you may view the Getting Started window, the stock reference window (industry group chart), the status reference chart, and the Notes window.

CALLING IT QUITS

At the conclusion of 91 weeks, Millionaire will automatically liquidate your holdings, and retain your rank, current net worth, and high score for future sessions. You will be returned to the player directory screen.

If you wish to exit in mid-session, select "Quit Game" or "Save Game" from the "File" menu. If you select "Save Game," the current session and environment will be retained, along with your portfolios, net worth, etc. If you select "Quit Game," Millionaire will liquidate your holdings, and retain your rank, current net worth, and high score in exactly the same manner as it does at the end of a session.

To exit Millionaire, select "Quit Millionaire" from the "File" menu on the player directory screen. After a moment, the Macintosh will eject the Millionaire disk.

GLOSSARY OF TERMS

Bear market
When investors believe the stock market will fall. One who is "bearish" on the stock market believes in selling shares at the current time. (Page 4)

Broker
A licensed individual who represents a buyer or seller of stocks in a transaction. He receives a commission for his services.

Bull market
When investors believe the stock market will rise. One who is "bullish" on the stock market believes in buying shares at the current time. (Page 4)

Call option
The right to buy stock in a corporation for a specified price before a specified time. (Pages 4, 5, 17)

Commission
The fee paid to a broker for finding a buyer or seller for a transaction, and executing the purchase or sale. In Millionaire, the commission is 1.5%.

Earnings
The profits of a corporation. (Page 4)

Industry group
Corporations in competition with one another to sell a particular product or service. In Millionaire, 3 corporations form an industry group. (Pages 3, 12)

Insider trading
Buying or selling by "insiders," corporation personnel who presumably have knowledge not yet available to the public. Frequently referred to in the Financial Journal. (Page 3)

Institutional investor
An organization whose primary purpose is to invest its own assets or those held in trust by it for others. Examples include pension fund insurance companies, investment companies, mutual funds, universities, and banks.

Investor
One who buys stocks or options.

Leverage
The use of speculative tools to control more shares of stock than one could by purchasing the shares outright. (Page 5)

Long-term investor
An investor whose primary goal is not short-term gain but steady growth of capital. The long-term investor generally takes fewer risks. (Page 3)

Loser
A stock whose price went down during a given week.

Lot
Unit of 100 shares of stock.

Margin call
When the shareholder's equity in a stock drops below a previously agreed upon amount (in Millionaire, 30%), he must sell his holdings in order to restore his other shares to the minimum level of equity, unless cash is available to cover the margin call. (Page 4)

Net worth
The value of an individual's cash, plus securities, minus potential commissions, taxes, and interest. (Pages 6, 11)

Odd lot
A unit less than 100 shares of stock.

Portfolio
Listing of stocks or options that an investor owns. (Page 6)

Put option
The right to sell stock in a corporation for a specified price before a specified time. (Pages 4, 5, 17)

Selling short
A speculative technique used when an investor believes the price of a stock is about to drop dramatically. The investor borrows shares (for a fee) from a broker, sells them, and banks the proceeds. When the stock drops in price, he buys the shares back and returns the shares to the loaning broker. The difference between the two prices is his profit. (Page 5)

Shareholder
One who owns stock in a corporation. (Page 3)

Short-term investor
A person who holds their stocks for less than one year. (see Speculator)

Speculator
One who is willing to take large risks in order to achieve significant profits over the short-term. (Pages 3, 4, 5)

Stock
Part ownership of a corporation, expressed in shares. (Page 3)

Stock exchange
A place where stocks and options are bought and sold. The most prominent stock exchange in America is the New York Stock Exchange, where stocks of the largest corporations are traded.

Striking price
The stock price at which an investor may buy or sell an option, and make a profit. (Pages 5, 17)

Trend
A sequence of events giving evidence of a direction. A stock that rises for several weeks exhibits an upward trend. (Pages 4, 12)

Volume
The number of shares of stock sold during a given week. "Heavy volume" means that many shares were traded.

Winner
A stock whose shares went up in price during a given week.

NOTES

NOTES

IMPORTANT: READ THIS CAREFULLY

The Warranty Registration Card included with all programs must be sent in within 10 days after your purchase to validate the warranty.

In the event that the diskette should fail to operate within ninety days of purchase, return it to Blue Chip Software for free replacement. You **must** include proof of purchase. If the diskette fails to operate after the 90-day period, there will be a five dollar replacement charge.

Drawings by Mei-Ying Chen, courtesy of T-Maker. All logos are the registered trademarks of their respective companies.

USER REGISTRATION

In order that we may advise you of future updates, revisions and announcements of our new products, please fill out the registration card below and send it to Blue Chip Software.

Name _____

Occupation _____ Age _____

Address _____

City _____ State _____ Zip _____

Type of computer _____

Store where purchased: _____

Comments about program: _____

_____

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STAMP
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USER REGISTRATION DEPT.
6744 Eton Avenue
Canoga Park, CA 91303

MILLIONAIRE

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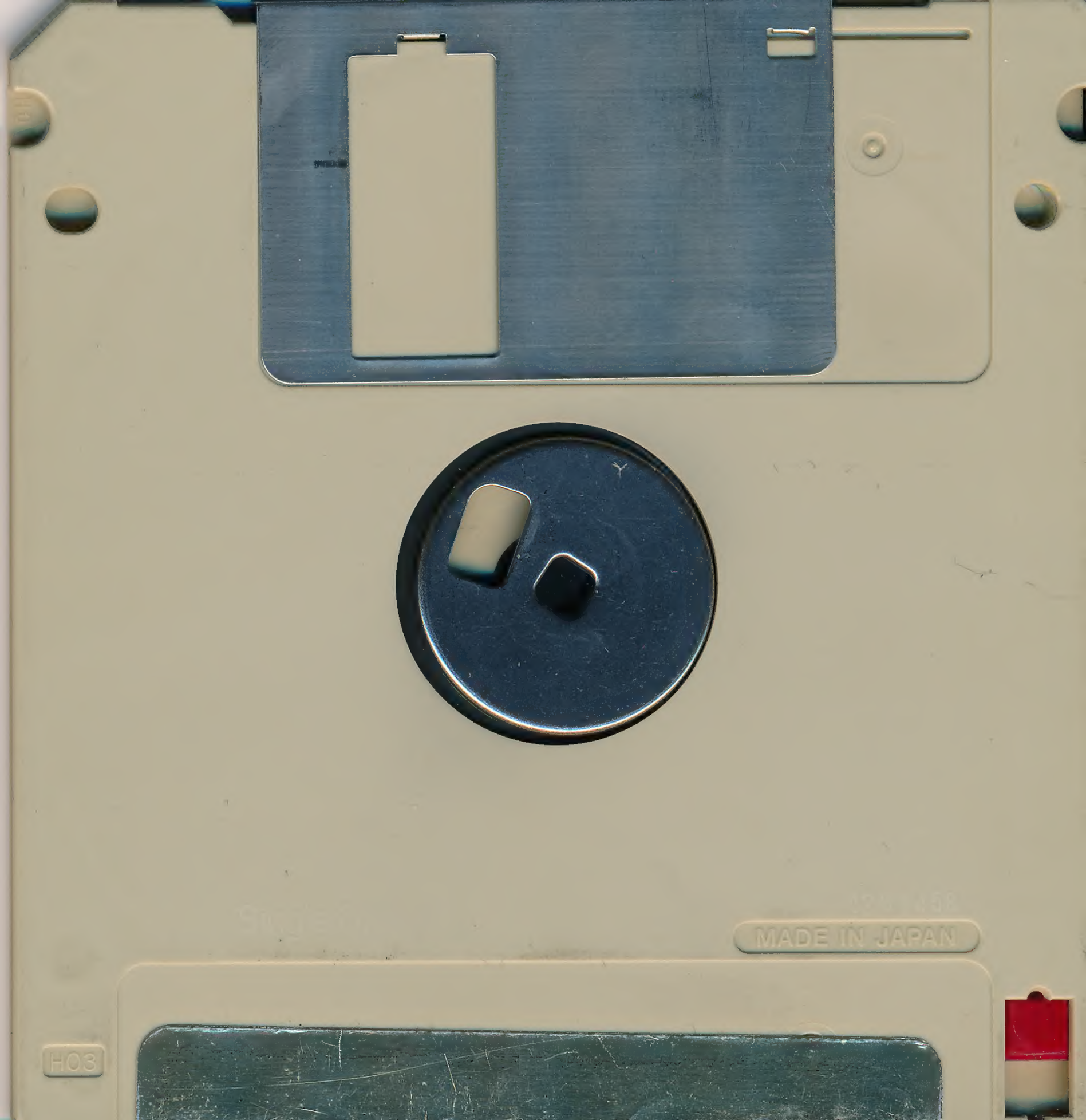
BLUE CHIP SOFTWARE™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